

Members

Sen. Connie Lawson, Chairperson
Sen. Connie Sipes
Rep. Vanessa Summers
Rep. Jackie Walorski
Kelly Christy
Tracie Wells
Rebecca Bickel
James L. Greeson
Teresa Voors
Sue Ellen Reed
Nathan Feltman
Judith A. Monroe
Zach Main



COMMITTEE ON CHILD CARE

Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 233-0696 Fax: (317) 232-2554

LSA Staff:

Chris Baker, Fiscal Analyst for the Committee
Ann Naughton, Attorney for the Committee

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MEETING MINUTES¹ (Revised)

Meeting Date: October 14, 2008
Meeting Time: 1:00 P.M.
Meeting Place: State House, 200 W. Washington St.,
Room 404
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Sen. Connie Lawson, Chairperson; Rep. Vanessa Summers; Rep. Jackie Walorski; Tracie Wells; Rebecca Bickel; James L. Greeson; Teresa Voors; Judith A. Monroe.

Members Absent: Sen. Connie Sipes; Kelly Christy; Sue Ellen Reed; Nathan Feltman; Zach Main.

Chairwoman Lawson stated that following the August 5, 2008, Committee on Child Care (CCC) hearing she received complaints concerning representation on the CCC. She clarified that Kelly Christy was appointed to the CCC to represent businesses of 50 or fewer employees. Chairwoman Lawson emphasized that she wants to avoid a focus on disagreements which would inhibit the work of the CCC. Rather, she wants to focus the CCC's work on the purpose of the CCC, which is to work toward ensuring the welfare of children. [Note: This paragraph has been revised to more accurately reflect the Chair's opening comments.]

After finishing her statement, Chairwoman Lawson recognized Mr. Edmund Hafer Jr. (of the Evansville Regional Business Committee, representing Evansville Mayor Jonathan Winzapfel) to testify.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Mr. Hafer Jr. described that his organization, the ERBC, had representation from several of the larger businesses in the area including Toyota, Alcoa, Vectren, and many banks including PNC. He said he had brought along Ms. Erin Ramsey of Four C's of Southwest Indiana and Mr. Steve Schafer, Vice President of the Chamber of Commerce of Southwest Indiana, to answer Committee questions.

Mr. Hafer Jr. distributed handouts of his testimony (Exhibit A) and a folder with several brochures (Exhibit B). His testimony essentially followed Exhibit A.

Mr. Hafer Jr. said that the Evansville Early Childhood Development Coalition began in 2006, which includes 70 organizations and 180 people to prepare children for success. He referred to several of the brochures in Exhibit B. He said that Indiana is one of only 12 states without a funded Pre-K program.

Chairwoman Lawson asked Mr. Hafer Jr. how much had been spent so far in this effort.

Mr. Hafer Jr. responded that well over \$2 M had been spent so far with grants from prominent companies such as Eli Lilly.

Representative Summers asked Mr. Hafer Jr. if the Coalition provided low-income assistance.

Mr. Hafer Jr. replied that Erin could address this question. He said that what he knew of was the Mayor's efforts to focus on low-income population. He said there is a strategic plan in place with the Evansville-Vanderburgh School Corporation via Dr. Bertram that is targeted to lower-income citizens.

Representative Walorski asked with the large companies involved, does Toyota offer day care and if it was paid for by the company.

Mr. Hafer Jr. replied that Toyota has a child care program.

Representative Walorski asked if other businesses offer on-site daycare.

Mr. Hafer Jr. replied that the former Welborn network had an on-site daycare center. He said that he did not know exact percentages; however, it is believed that the percentage of businesses with on-site daycare is significant.

Ms. Tracie Wells asked what differences were being made between toddler and early development children.

Mr. Hafer Jr. responded that he and his wife raised three children without any preschool care. He said that although they turned out fine, he is witnessing his grandchildren in early child development bringing home assignments that he called a "step away from homework." He said early childhood courses include zoo and museum visits as centers for education.

Ms. Ramsey testified that early childhood education is taking a global approach with a new change in mind set on how education in young children is approached. She said childcare centers are benefitting from a specific focus on child literacy.

She said that there are many low-income families in the Evansville area. She said there is a 50% participation rate in the school lunch program (for free and reduced price lunches). She continued that there is a large and young Latino population and that Evansville has centers working on outreach to this population segment.

Ms. Melanie Brizzi interjected that brain development in children age one to three is the most important aspect of the fit between early childhood education and daycare.

Ms. Ramsey said in response that it is critical to focus heavily on birth-to-five years. She said they are looking at the whole picture for childhood development. She continued that the state Paths to Quality (PTQ) program is addressing the early childhood development issue. She said the PTQ program is addressing this with higher incentives for participants to be involved.

Ms. Wells asked what is the best approach to get people on board with the program.

Ms. Ramsey answered that there have been a few champions of this program since its inception, including elected officials and PNC Bank.

Mr. Hafer Jr. said there were two things that changed. First, he said the business community realized the economic benefit in many ways. Also, he said the realization of helping kids was important because many of them have few if any options due to their social-economic status.

Senator Deig said he has worked with Four C's of Southwest Indiana and has a real fondness for the childcare issue. He said he has been in an effort with Senator Becker to establish a study committee through the Legislative Council to look at all state and federal funding available for childcare issues. He said for the Committee to look for legislation from himself and Senator Becker to establish such a committee.

Chairwoman Lawson said that the Committee was the appropriate body to consider funding sources and hoped the Legislative Council would assign that topic to the Committee in a future interim.

Chairwoman Lawson then recognized Dr. Judith Ganser with the Indiana State Department of Health (ISDH) to testify.

Dr. Ganser identified herself as the project director for the Early Childhood Comprehensive System Project (also referred to as "the Project" or "Sunny Start").

She distributed a packet (Exhibit C) containing several documents which she referred to during her testimony.

She said the Project began in 2003 with a grant through the Maternal and Child Health Bureau. The Project was aimed at preparing children from zero-to-five years of age to be healthy and ready to learn at school.

She said the Project has a steering committee and five subcommittees for the following areas:

- medical provider
- mental social and emotional
- early care
- parent education
- family support

Dr. Ganser continued that there are other state agencies involved in the Project, including FSSA, Department of Education (DOE), Department of Environmental Management (IDEM), Minority Health, and Indiana Latino Affairs. She said the Project was renamed "Sunny Start" in 2005. She said Sunny Start has received \$140,000 per year over three years to implement its strategic plan. She said the basis of the program was to provide pediatricians and other health providers with information to provide to parents of young children when visiting their offices for appointments. She said, however, printing was limited to health care providers as there were

not enough funds to print for the general public. However, she said the ISDH was looking for private funding sources to increase circulation and printing of materials.

Dr. Ganser touched on what a couple of the subcommittees had accomplished, including the parent advisory committee and the committee addressing social and emotional development. Additionally, she spoke about a clinic provided in one week during July of 2007 for social and emotional care providers. She said there has been trouble finding practitioners in this area.

Dr. Ganser also spoke on child maltreatment. She informed the Committee about a March 2008 meeting to discuss and to continue to develop a plan for Indiana.

Chairwoman Lawson asked if there has been any focus on training of providers or with the general public.

Dr. Ganser replied that there are some parent representatives on the subcommittees that are able to pass on their knowledge to other parents. However, Sunny Start has no official media campaign.

Chairwoman Lawson asked how do parents get informed.

Dr. Ganser answered through the child's pediatrician or health care center. She said that a doctor's office can print off the materials, or it could be accessed from libraries. She said the website is geared for professional staff more than for the general public.

Chairwoman Lawson asked if the funding ends in 2008 or 2009 and if there was a plan to reapply for more funds.

Dr. Ganser replied that the funding ends in July 2009, after which, they would reapply.

Representative Walorski asked if most of the \$140,000 amount was used on a consultant and who is the consultant.

Dr. Ganser replied Emerald Consulting.

Representative Walorski asked if the parents have access.

Dr. Ganser said that an attempt had been made to start a website for the public, but that it was decided to go with a website for professional access first. She added that there may be a few areas where a parent could go to directly on the site that may be helpful. She said that Sunny Start does not really have a staff person to handle parent questions.

Representative Walorski asked if this was similar to the mental health testing legislation that appeared in the House a few years ago.

Dr. Ganser replied that no, it actually was a DOE initiative.

State Fire Marshal James L. Greeson asked if the brochures had room to add fire safety tips. He said his office would like to work with her on fire and injury prevention tips to include in the materials.

Dr. Ganser replied she would be willing to meet with the Fire Marshal and that safety tips should be included.

Mr. Mike Garatoni, a member of the Licensed Child Care Center Advisory Committee, was

recognized to present the Center Advisory Committee's report for the interim.

Mr. Garatoni presented a handout of his remarks (Exhibit D). He said that he had been a small-business owner for 15 years running four child care centers in northern Indiana. He said these facilities were open five days per week from 5:00 A.M. to 11:30 P.M. He said the centers provide care for children from six weeks to 13 years of age.

Mr. Garatoni said that the common thread that was found by the Center Advisory Committee was that market forces were driving the industry and that Government regulation, particularly the activities of the Department of Education, could interfere with normal market forces. He concluded by saying that the PTQ program was making the situation for centers worse.

At the conclusion of his remarks, Chairwoman Lawson asked Mr. Garatoni if the Center Advisory Committee approved of the report he presented.

Mr. Garatoni answered that he was not able to circulate all the findings completely to all members. He said that those members that were in attendance gave their permission for him to write the report and present it to the Committee.

Chairwoman Lawson remarked that there were problems in the past to bring child care up to standards. She emphasized that the PTQ program was voluntary.

Ms. Brizzi said the Center Advisory Committee did not talk about PTQ in depth. She said they had clarified and dramatically revised their standards from the PTQ pilot. She said they were only expecting a registered ministry participation rate of 3% in PTQ. She said, as she had stated in the first meeting of the Committee earlier in the interim, that it is extremely tough for many ministries to meet the standards required for participation.

Ms. Brizzi warned that PTQ should not be confused as a regulatory system. She said those that have more requirements to meet in order to be ranked, such as centers, have a much easier time achieving a higher ranking than registered ministries in the PTQ program.

Mr. Garatoni answered that the Center Advisory Committee's statement may not make everyone on the Committee happy, and he apologized for not being more precise.

He continued that the rating system does not treat participants the same. He said, repeatedly, that centers, homes, and registered ministries have different manuals of regulations to follow. He said that playground safeguard investment is a significant difference for centers to maintain, while registered ministries with respect to playgrounds are not required to be as stringent in their safeguards. He said this does not make sense because 80% of injuries occur on the playground. He said that he could not be convinced that the regulations are the same.

Chairwoman Lawson then requested that everyone quit focusing on areas of disagreement. She continued saying that if we continue to disagree and balkanize the effort, children would lose. She said she understood that parents want choices for childcare. She said that, instead, the focus should be on the areas of agreement, for what is good for the children.

Representative Summers said she could understand where Mr. Garatoni was coming from. She said she understood what could happen unless something is done to make them equal with the others.

Chairwoman Lawson said she did not believe that ministries were providing bad care. She said again that the Committee must get away from this disagreement.

Representative Summers said that we do not have to encourage a system such as this, and could there not be one set of rules.

Chairwoman Lawson responded that was probably a goal, but not for today.

Mr. Garatoni said he did not want to focus on it either. However, he said, the system is confusing. He said it will come down to being more expensive to provide care under this system and people will go elsewhere. He concluded that parents are confused and need a tool to know the differences and make informed choices.

Representative Walorski declared to Mr. Garatoni that he chose to be a center, and no one forced him to be a center.

Mr. Garatoni replied that the only options he has are the choice to close or to remain a small business.

Representative Walorski responded that the arguing is over being a center, a home, or a ministry. She said that she had never had one person call her to say they were confused by the rating system. She said to Mr. Garatoni that what she was really hearing was that it is the state of Indiana's responsibility to leverage the extra charges required of running a center versus a home or ministry facility.

Mr. Garatoni said that a four-year-old child is a four-year-old and that should not affect their care. He said under PTQ one group has to follow certain regulations and another group does not. He said children are still the same regardless of where they go for childcare.

Ms. Rebecca Bickel asked what kinds of things could be an incentive to bring centers to areas without good transportation options.

Mr. Garatoni replied that issue was not discussed in the subcommittee. He said that the entity's bottom line is to figure out how to pay their bills, and that would drive transportation costs accordingly.

Ms. Wells stated that there was a lot of history here. She said there is a lack of education for parents, as they do not know the differences between a church versus a center. She said that is part of the problem. She then asked if there are different criteria in the PTQ program. She said that ministries are the fastest growing, yet they do not pay taxes, but receive vouchers. She asked if PTQ could really encourage equality between childcare providers.

Mr. Garatoni said he had not heard of such differences in rating standards in other industries. He said rating systems usually do not take a position between subcategories of businesses. He said it is the industry standard to seek similar regulations across the board. He said the current childcare rating system would be much better if people knew that they were comparing apples to apples.

Ms. Brizzi referred to the rating scale described by Mr. Garatoni as an environmental rating scale. She then explained why they did not go with an environmental rating scale. She said that essentially people were trying to incorporate PTQ into a regulation system format. She said that was not accurate as 90% of participants in the ministries cannot reach the first level of the PTQ system, while centers are usually able to achieve level three almost immediately.

She continued, saying that ministries struggle. She said the PTQ system does provide parent education. She said if a parent is looking for the PTQ to "fill gaps" it is not going to do that.

Mr. Garatoni responded that studies show 85% of parents' decision on childcare is financial. He said that infant care costs as much as a first year of college. He said it comes down to milk or childcare. He said that he supported much of what Ms. Brizzi said, but studies show that they are not the same.

Ms. Wells asked if there are fire/safety standards in PTQ. Ms. Brizzi and Fire Marshal Greeson answered that the Indiana Fire and Building (IFB) standards or the state fire code must be met.

Ms. Noel Hanson, member of the Licensed Home Advisory Committee (LHAC), next testified. She distributed a handout of her testimony points (Exhibit E). One area of her testimony involved inequitable treatment issues involving owner/operators of home childcare facilities.

Following her testimony Chairwoman Lawson asked if the LHAC has been working well.

Ms. Hanson responded yes. She said that the LHAC took a little longer to get going and was behind the Center Advisory Committee. She said the LHAC members have let others know they exist. She said conference calls will be pivotal.

Ms. Wells asked if the LHAC is a private organization.

Chairwoman Lawson answered no and that state law created and requires the working groups to meet and report to the Committee.

Ms. Wells asked if insurance issues are discussed.

Chairwoman Lawson replied that the Committee does look into insurance issues, but she doubted the time would be available to look into it this interim.

Ms. Michelle Thomas with FSSA was then recognized to testify. Ms. Thomas gave a seven-slide PowerPoint presentation on an update on the PTQ program (Exhibit F).

Slide one detailed the PTQ program being in 41 counties with 619 providers. She said that 37 additional providers just enrolled in Marion County and were not reflected in the totals presented in her presentation.

Slide two exhibited participation by level.

Slide three showed participation by service delivery areas 3 and 9 (including the Fort Wayne area). She said that the program had been in place in these delivery areas for more than nine months and had exceeded their participation rate goal.

Slide four displayed service delivery areas, including Terra Haute, Kokomo, Columbus, and New Albany.

Slide five showed the Child Care Development Fund (CCDF) funding program. She cited a study that presented Indiana's situation as 'bleak'. However, she continued that the data in the report was 18 months old and the situation in Indiana is not 'rosy' but not 'bleak'. She said funding and the number of children served increases each year. She said the funding source is from TANF transfers.

Slide six discussed federal poverty level ceiling changes. She said the ceiling changed from 127% to 170%, which brings Indiana from 47th up to 30th in the country. She said this translates to a family now able to earn an additional \$429 per month without losing their childcare voucher.

Slide seven concluded the presentation by discussing the wait list. She said the average wait was 47 days for CCDF program assistance.

She said that she wished for the current minutes to reflect that there were two inconsistencies in prior minutes from her testimony. She said the budget (amount of federal grant) was actually \$200 M and not \$300 M (pg. 2 from minutes dated: August 5, 2008).

The second item needing clarification was in the prior minutes as well. Ms. Thomas had stated that there were zero findings from the State Board of Accounts, when in actuality there is one audit with a finding made currently (pg. 2 from minutes dated: August 5, 2008).

With no questions or comments for Ms. Thomas and seeing no further business before the Committee, Chairwoman Lawson adjourned the meeting at 12:20 P.M.